

Questions for Gov. Barbour

1). Obviously, Mississippi was hit with a direct blow from Hurricane Katrina and damage and loss of life is still being assessed. What is the top priority for your office at the moment?

The most pressing need of people in the affected area right now is housing. So many homes were destroyed or severely damaged, and too many victims are still living in tents or temporary shelters in churches and schools. The need for housing is so overwhelming that it's taking longer than I had hoped for temporary housing to be brought in and set up. I am aggressively involved in facilitating the placement of housing.

2). Mississippi has fostered a good relationship with the gaming industry and the casinos in your state have brought millions to state coffers. How important has casino gaming been to your state?

Casinos operating in Mississippi have been good citizens, major economic contributors by providing good jobs, and have helped establish Mississippi as a recreation destination. In short, casino gaming is very important to Mississippi.

3). With most of the Gulf Coast's casino industry in ruins at the moment, how big of an economic effect does that have on your state? With them closed indefinitely and tax revenues lost, will this have a deep impact on state budgets?

The state is losing \$500,000 a day in tax revenues generated by casinos on the Mississippi Coast alone. It's a huge hit. The ultimate impact on the state budget is not known at this time because, hopefully, the federal government will come forward soon and cover a large share of governmental costs.

4). There are several funds set up for the thousands of displaced gaming employees—from the American Gaming Association's Relief Fund to the Build Back our Coast Fund created by the Mississippi Casino Operators' Association and the Mississippi Gaming Association. What are the efforts being undertaken at the state level to provide aid?

We in Mississippi are grateful for the generosity of Americans in every state, and to people in a number of foreign countries who have stepped up with a variety of assistance. At the state level, I created the Mississippi Hurricane Recovery Fund (www.mississippirecovery.org) to receive and disburse monies for things government cannot provide. Again, at the state level, all state agencies from the Mississippi Highway Patrol and Department of Public Safety, to our Department of Transportation, to our National Guard, to our Department of Human Services and Mississippi Emergency Management Agency – and many others in between – have worked tirelessly from the very beginning of the storm to help people. Local law enforcement officers and fire fighters stayed on their jobs through the worse imaginable conditions, many of them also victims. We've cleared roads, conducted rescues, delivered meals, water and ice. Now, we're providing health services, and distributing food stamps and other benefits to families that desperately need the help. Many ordinary people have done extraordinary things. While various recovery

funds have been set up by thoughtful and generous people, I felt a single fund should be identified as the “official” fund, which is why I created the Mississippi Hurricane Recovery Fund. It will be used exclusively in Mississippi to help Mississippians.

5). How would you describe the federal response to Mississippi’s needs—both for immediate assistance and the state’s gaming industry?

As I have said on other occasions, the federal response to Mississippi’s needs has been enormous. I include the response of young Coast Guard personnel from Mobile, Ala., who dangled from helicopters the very first night spotting and rescuing people from the tops of buildings or trees where they were hanging on for dear life. The FEMA response has not been perfect, nor has my own response been perfect, nor has the responses of local officials. And yet, the federal government has been and continues to be a good partner. Mississippians are a self-reliant bunch of people and we’re not moping around and whining about this or that. We’re just hitching up our bridges and getting on with the business of recovering. Casinos are licensed and regulated by the state of Mississippi, so I don’t perceive of any federal involvement with their recovery beyond what the federal government normally requires.

6). How about the response from others outside your state—volunteers, organizations, etc.?

Well, there’re so many. I’m told that some form of relief has come from every U.S. state and I know that 23 other states sent National Guardsmen. Alabama sent Military Police units that helped us maintain law and order. Truck drivers from Vermont delivered load after load of relief supplies. Search and rescue units from Florida, Pennsylvania and Ohio came to assist with the task of finding victims in the rubble of their homes or businesses. I cannot give enough credit to faith-based organizations that came in and are still here giving aid and comfort. The assistance rendered by national organizations, such as the Salvation Army and Red Cross, has been invaluable. Even now, Habitat for Humanity and others are helping the Coast rebuild. Our Mississippi-based utilities were bolstered by power and phone crews from all across the country. I hate to leave anyone out, but the number of organizations and people who have helped is just enormous, and very deeply appreciated.

7). What is needed most right now? What can those who want to help provide that will go the furthest toward helping Mississippi recover?

In a word: money. This is hard to imagine until you’ve seen the devastation up close – on the ground – as many times as I have, but many thousands of people have literally the clothes on their backs – and that’s it. Money is a pressing need.

8). You’re supportive of the Gulf Coast’s casinos being rebuilt on land versus the gaming barges they were required to be on. For the benefit of our readers, can you explain your stance, what you support and why it’s important to Mississippi?

Essentially, I adopted a new action of the Harrison County Board of Supervisors (Biloxi and Gulfport) to allow casinos to be located on the shore within 1,500 of the water’s edge. There is no magic to the exact number of feet, but I don’t believe I should substitute my judgment about the proper distance from the water for that of

the local people. Frankly, when we're talking about the distance from the water in terms of hundreds of feet, a couple of hundred this way or that is irrelevant. In a state like ours, 400 miles from end to end, a few hundred feet is neither significant nor material. What is relevant is that, in allowing casinos to come on shore, we must keep them tied to the water. So my proposal is that no casino could be located on shore unless it also has facilities at the water's edge. All the existing casinos on the Coast already comply with that, but new ones would also have to be tied to the Gulf or the Bay of St. Louis to Biloxi Bay in the same way, with a hotel or similar facilities at the water.

When I ran for Governor, I said I opposed the expansion of gaming beyond the counties where it already existed. That remains my position, and this proposal is entirely consistent with that "no expansion" platform. This proposal has no impact whatsoever on any county other than Hancock or Harrison. None at all, on any other county.

And in the two affected counties, it will not allow gaming to move to I-10 or anywhere else, except for a few hundred feet on shore right next to where it is allowed already and where it has been since gaming was legalized fourteen years ago. So why do this, this few hundred feet move?

First, the catastrophic destruction of the casinos and the destruction wrought by those behemoths when they crashed into buildings and vehicles. A storm surge of up to 35 feet simply tossed the barges around like corks and they ended up smashing hotels, museums, private homes and sitting on highways and rail lines. Knowing what we know now, it would be irresponsible to return to that approach.

If we want to see much better quality development by the casino companies, if we want world-class resorts that will be about much more than just gaming, if we want to rebuild the Coast bigger and better than ever, I believe we will fail if we don't allow casinos to come on shore, even if only a few hundred feet.

A small adjustment of a few hundred feet, but consistent with the original law of being tied to the water, is the best chance -- not only for getting the thousands of employees back to work sooner, but to have even more employees later and make our Coast a world-class destination resort.

I also see the vote on shore-based gaming as the first defining vote of where Mississippi is headed. Will it be business as usual, the same old same old? Or are we going to lift our horizons and take advantage of this opportunity to have something better. Out of this terrible disaster, beyond all imagination, comes a unique opportunity I am determined we will not miss.

9). How do you address opponents of land-based casinos, many of them religious groups?

I have a lot of respect for their point of view and have met with many of their representatives. I ask them to consider the plight of 15,000 Mississippians who had good jobs at Coast casinos, people who lost their jobs because their places of business were destroyed by a natural disaster. I ask them to consider the estimated 50,000 other Mississippians whose livelihoods depended on this industry. This is an economic calamity whose destructive force will reach far beyond the Coast and into every corner of the state - anywhere there are schools, or hospitals, or public

buildings, or roads, or forests, or farms. It's that big an issue. I ask them to consider the very survival of a part of this state we just can't afford to lose.

10). We've heard a bevy of proposals regarding gaming tax rates—from increasing them to lowering them or offering tax breaks as incentives to rebuild. What would you prefer to see?

My own view is that casino companies, as legitimate tax-paying corporations, ought to be able to take advantage of whatever incentives other companies could take advantage of. I would not discriminate based on the nature of the business because starting down that trail is not somewhere I, as Governor, want Mississippi to go. I am not for raising the tax rate on casinos, just as I am opposed to raising anybody's taxes.

11). Do you have a timetable as to when we might have definitive answers on these issues that will allow the gaming industry to begin moving forward with permanent casino plans?

I called the Legislature into a special session on Sept. 27 to deal with these and other Katrina-related issues. As of this writing, Sept. 30, the Legislature has taken no final action. I hope the issue will be resolved soon because we need casinos back in business, if only on a temporary basis while they hopefully build bigger and better facilities.

12). Opinions on when casinos in Biloxi and Gulfport will be operating again range from a couple of months to over a year. If you had to guess, how long before we see a fully functional casino industry on Mississippi's Gulf Coast again...land-based or not?

This question really can be answered best by the companies based on the rules the Legislature puts into play. Again, I would like to see the casinos operating as soon as possible.

13). What's the most important message you want to convey to your state's residents affected by Katrina and the state's gaming industry?

I want residents of my state to know how proud I am of them for their selflessness and positive, "can do" spirit in the face of overwhelming devastation. Quitting would have been so easy, but Mississippians are not quitters. We will recover and rebuild, and I expect the gaming industry to be a major, major part of the equation.